

**Budget and Finance Committee  
Meeting Minutes  
February 19, 2010**

The Bethany Beach Budget and Finance Committee held a meeting on Friday, February 19, 2010 at 2:00 p.m. in the Bethany Beach Town Hall meeting room, 214 Garfield Parkway, Bethany Beach, DE 19930.

Members Present: Jack Gordon, Chairman, who presided; Chuck Peterson; Joseph Healy; Don Doyle; and Denise Boswell.

Excused Members: Stanley Berkman and Phil Rossi.

Also Present: Mayor Tony McClenny; Vice Mayor Carol Olmstead; Council Members Jerry Dorfman and Margaret Young; Town Manager, Clifford Graviot; Finance Director, Janet Connery; and Administrative Secretary, Lindsey Shallcross.

**Call to Order**

Mr. Gordon called the meeting to order at 2:00 p.m.

**Approval of Agenda**

Mr. Peterson made a motion to approve the agenda. Mr. Doyle seconded the motion and it was unanimously approved.

**Approval of Minutes from January 15, 2010 Meeting**

Mr. Healy made a motion to approve the minutes dated January 15, 2010. Seconded by Mr. Peterson, the motion was unanimously approved.

**Old Business**

*Discuss Draft Budget for FY 2011*

Mr. Gordon asked Ms. Connery to review the Draft Budget with the Committee. She explained that she had distributed a draft dated February 12, 2010 and that there is a revised draft dated February 19, 2010 currently at the meeting. She disbursed the revised draft and a list of changes made since the January draft.

The main modification is the addition of Pay Stations, which the Council discussed at the Workshop on February 16, 2010. Ms. Connery handed out a page titled "Cost Analysis of Pay Station Proposal" and reviewed the document. She explained that the Town is planning to replace half of its parking meters with pay stations in FY 2011 and the other half in FY 2012. She noted that converting to pay stations is expected to cause a 15% increase in parking meter revenue and the pay stations are expected to last ten years.

A German company called Hectronics makes the pay stations. The company currently installs, maintains and operated these pay stations throughout the world, except the United States. The plan is to initially install eighteen (18) along each of the beach area

street ends. A pay station parking permit ticket can be paid for with coins or a credit card, and any amount of time can be purchased.

Mr. Gravier pointed out that an alternative company for pay stations would cost a total of \$384,000 for the hardware, but Helectronics will only cost \$178,000 for 35 meters.

Ms. Connery noted that the increase in revenue will pay for the pay stations within the first couple of years.

The Financial Analysis shows that:

- The change to pay stations will result in \$932,700 in revenue and cost savings over ten years.
- From the first year, the conversion to pay stations is expected to generate more revenue than cost.
- Purchase costs will be fully recovered in less than three years for equipment expected to last ten years.

The effect of pay station on the Draft Budget is:

- \$63,000 increase in revenue.
- \$11,000 increase in operations.
- \$95,000 increase to the Capital Budget.

Ms. Boswell questioned if the Town has heard any reports from other communities on how well the pay stations work. Mr. Gravier responded that there have been reports that they function efficiently and have few errors. They are solar powered, with a battery back-up. If there is a minor repair that needs to be made, the Town staff will most likely be able to repair it.

The Committee members asked a few further questions about the manufacturer, what other towns used, and how the Town would educate the users. The Committee agreed that the conversion made sense from both a financial and a practical standpoint.

Ms. Connery addressed the following other changes made to the draft budget since the January meeting.

- \$40,000 increase to Administration for repairs to Town Hall. This is a new item for repairs to the roof and repainting of Town Hall.
- \$13,000 increase to the Streets and Parks Operating Budget for enhancements to the Nature Center.
- \$8,000 increase to the Stormwater Operating Budget for purchase of off-road mats, which protect the ground when heavy equipment is used for drainage work.
- \$9,000 other small adjustments to the General Fund Operating Budget.
- \$23,000 increase to the Streets and Parks Capital Budget for purchase of street-side newspaper bins (\$16,000) and a larger snowplow (\$7,000).
- \$50,000 decrease to the Streets and Parks Capital Budget for Garfield Parkway. This estimate started at \$1,000,000 in the January 15<sup>th</sup> draft, was revised down to \$900,000 in the February 12<sup>th</sup> draft, and is \$950,000 in the current draft.

- \$25,000 increase to the Sanitation Capital to cover the purchase of a replacement trash truck. The cost estimate increased to cover the cost of a heavier duty truck, which will last several more years.

Ms. Connery advised the Committee that there might be more changes before the March Town Council meeting. The probable changes would be corrections to current estimates and also a change to the Town recycling program and fee.

With the Delaware Solid Waste Authority (DSWA) contract for curbside recycling about to end, the Town Council has the following options:

- Allow residents to sign up with DSWA directly for the regular curbside recycling program at a cost of \$72 per year with twenty-six (26) pick-ups.
- Accept Allied Waste's bid for a cost of \$72 per year for thirty-six (36) pick-ups.
- Take over the service using Town employees for a cost of \$44 per year for thirty-six (36) pick-ups.

Mr. Graviet stated that the Council will decide if the Town will provide the recycling service at a rate of \$44 per year.

Mr. Healy expressed that he feels the Town should use a contractor for this service rather than providing the service itself.

Ms. Connery suggested that the effect on the budget would be relatively minor. The Town would budget for enough revenue to cover the cost so it would balance out.

Mr. Healy asked how much administrative costs the Town allocated to the Sanitation and Water Funds. Ms. Connery stated that over \$100,000 in administrative personnel costs are allocated to those funds. Other costs, such as insurance, are split between the three funds when paid.

Hearing no further questions or comments regarding the changes or the primary document, Mr. Gordon suggested making a motion to accept the current draft of the budget with the expectation that minor changes may be added in the next month as discussed.

Mr. Healy made a motion to approve the budget as written. Mr. Doyle seconded the motion and it was unanimously approved.

### **Any Other Matters**

Mr. Gordon reported that the next Budget and Finance Committee is scheduled for March 19, 2010. He will cancel this meeting if there is nothing to discuss.

Mr. Graviet added that the Public Hearing for the Garfield Streetscape Utility Re-Location Project will occur on March 1, 2010. This will give property owners time to prepare.

**Motion to Adjourn**

Mr. Healy made a motion to adjourn. Mr. Doyle seconded the motion and it was unanimously approved.

The meeting was adjourned at 2:45 p.m.